

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 10702 01 OF 02 211312Z

44

ACTION AGR-20

INFO OCT-01 EUR-25 ISO-00 AF-10 ARA-16 EA-11 NEA-14 RSC-01

AID-20 EB-11 IO-14 COME-00 TRSE-00 SWF-02 PA-04 PRS-01

USIA-15 DRC-01 /166 W

----- 006883

R 211257Z AUG 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3189

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 10702

PASS AGRICULTURE FOR NOVOTNY AND PENCE

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: ASMC MEETING AUGUST 20

REF: FASTO 222

1. TONE OF MEETING WAS DOMINATED BY AUGUST US CROP ESTIMATES AND EFFECTS ON WORLD SUPPLIES OF BOTH WHEAT AND FEEDGRAINS. US DELEGATE RODMAN READ STATEMENT POINTING OUT THAT ALTHOUGH CURRENT CROP FORECASTS ARE DOWN FROM EARLY EXPECTATIONS, WHEAT IS STILL A RECORD CROP, SOYBEANS: SECOND LARGEST IN HISTORY AND CORN FOURTH LARGEST IN HISTORY. US DELEGATE EMPHASISED THAT US IS NOT CONSIDERING US RESTRICTIONS ON FARM COMMODITIES AND THAT REASONABLE FOREIGN DEMANDS WILL BE MET. HE DREW ATTENTION OF THE MEETING TO FORTHCOMING BILATERAL DISCUSSIONS WITH JAPAN AND EEC.

2. IMMEDIATE RESPONSE FROM MEETING WAS APPRECIATION OF US CANDOUR. ARGENTINE DELEGATE IMMEDIATELY, HOWEVER, QUESTIONED THE MEANING OF THE WORD REASONABLE APPLIED TO FOREIGN DEMAND. HE WAS ASSURED THAT A DEFINITION WOULD EMERGE AT THE BILATERAL TALKS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 10702 01 OF 02 211312Z

3. EEC DELEGATE VAN STOLK WONDERED IF US WAS NOT BEING TOO OPTIMISTIC. HE SAID THAT THE WORLD IN 1973-74 USED 20 MILLION TONS MORE GRAIN THAN IT PRODUCED AND THAT THE INDICATION WAS THAT THERE WOULD BE A DROP OF 40 MILLION TONS IN 1974-75 IN WORLD GRAIN PRODUCTION INCLUDING RICE. WHILE THERE WAS SOME GROUND FOR HOPE REGARDING WHEAT AND RICE HE THOUGHT SOME FEEDGRAIN RATIONING WOULD BE INEVITABLE IN VIEW OF 60 MILLION TON DEFICIT. HE AGREED THAT THERE HAS BEEN AND WILL CONTINUE TO BE A DECLINE IN GRAIN FEEDING TO LIVESTOCK BUT SAID THIS DECLINE WILL HAVE TO BE CARRIED FURTHER. HE THOUGHT IT INEVITABLE THAT GRAIN EXPORTING COUNTRIES WILL RELEASE LESS FOR EXPORTS.

4. CANADIAN DELEGATE POINTED OUT THAT RAIN AND COOLER TEMPERATURES HAVE HELPED WHEAT IN WESTERN CANADA. IN SOUTHERN ALBERTA THE HARVEST HAS MADE GOOD PROGRESS AND RECENT RAIN HAS HELPED THE PROSPECTS FOR FALL SEEDINGS. MORE RAIN IN SASKATCHEWAN IS NEEDED FOR FILLING OUT THE GRAIN BUT IN MANITOBA, ALTHOUGH LATE SEEDED FIELDS HAVE BEEN HELPED BY THE RAIN, OVERALL PROSPECTS ARE BELOW AVERAGE. THE FEAR NOW IS FROSTS BEFORE MID-SEPTEMBER. TOTAL PRODUCTION IN CANADA IS NOW PUT WITHIN THE RANGE 475-550 MILLION BUSHELS.

5. EEC DELEGATE GAVE BREAKDOWN OF REVISED COMMUNITY HARVEST FIGURES RELEASED AUGUST 14 AS FOLLOWS:

MILLION METRIC TONS

SOFT WHEAT	39.3
DURUM	3.6 (OF WHICH ITALY 3.2)
TOTAL WHEAT	43.0
BARLEY	32.4
CORN	16.6

OTHER GRAINS	18.0
TOTAL GRAINS	110.0

6. SWEDEN REPORTED THAT DESPITE COOL DRY SPRING AND WET SUMMER, PRODUCTION SHOULD BE A LITTLE IN EXCESS OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 10702 01 OF 02 211312Z

1.4 MILLION TONS. DIFFICULT TO ASSESS EXPORT AVAILABILITY BUT THIS COULD AMOUNT TO A LITTLE OVER 700,000 TONS.

7. US DELEGATE SUGGESTED THAT THE SECRETARIAT PREPARE A SHORT PAPER ON THE IMPACT OF CURRENT HIGH PRICES AND WHEAT CONSUMPTION IN 1974-75 AND RAISE THE ISSUE WHETHER CERTAIN COUNTRIES WILL ENDEAVOUR TO HOLD WHEAT IMPORTS

DOWN IN ORDER TO CONSERVE EXCHANGE RESERVES; US
ALSO ASKED ABOUT EXTENT OF STOCK BUILDING IN 1973-74.
EEC DELEGATE EXPRESSED SURPRISE THAT SUCH STOCK BUILDING
HAD TAKEN PLACE LAST SEASON ALTHOUGH EEC STOCKS ROSE AND
POSSIBLY ALSO EASTERN EUROPE. NO OTHER IMPORTING

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 10702 02 OF 02 211312Z

44

ACTION AGR-20

INFO OCT-01 EUR-25 ISO-00 AF-10 ARA-16 EA-11 NEA-14 RSC-01

AID-20 EB-11 IO-14 COME-00 TRSE-00 SWF-02 PA-04 PRS-01

USIA-15 DRC-01 /166 W

----- 006917

R 211257Z AUG 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3190

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 10702

COUNTRY WAS BELIEVED TO HAVE BUILT UP STOCKS IN 1973-74.
MILLS CERTAINLY HAD LOWER STOCKS NOW IF ONLY BECAUSE
OF HIGH INTEREST RATES. IT WAS CONCEDED, HOWEVER, THAT
LACK OF FUNDS MAY INHIBIT IMPORTS IN SOME CASES.

8. EEC DELETAGE WAS ABLE TO PROVIDE SOME MORE
INFORMATION ON QUESTIONS ASKED IN FASTO 189 REGARDING
WHEAT STOCKS, TRADE AND CONSUMPTION.

9. STOCK FIGURES STILL NOT AVAILABLE BECAUSE COMMUNITY
HAS NOT YET GATHERED DETAILS OF ON-FARM STOCKS BUT THESE
FIGURES SHOULD BE AVAILABLE BY NEXT ASMC MEETING,
SEPTEMBER 9. IMPORT FIGURES FOR FULL COMMUNITY STILL
INCOMPLETE BECAUSE OF LACK OF UK DATA OWING TO
COMPUTER BREAKDOWN. FURTHERMORE, FIGURES FOR INTRA-
EC TRADE IN 1973-74 HAVE NOT BEEN COLLECTED BUT IT IS
HOPED TO HAVE THEM BY SEPTEMBER 9. THUS IMPORTS INTO
THE COMMUNITY FROM THIRD COUNTRIES ONLY AND EXCLUDING

UK FOR APRIL, MAY AND JUNE AMOUNTED TO 4.5 MILLION TONS.
EXPORTS TO THIRD COUNTRIES AMOUNTED TO 5.32 MILLION TONS
OF WHICH 4.372 MILLION TONS WERE COMMERCIAL SALES AND
0.947 MILLION TONS WERE FOOD AID.

10. WHEAT DENATURING IN 1973-74 AMOUNTED TO 4.4 MILLION
TONS. TOTAL QUANTITY OF WHEAT FED IN 1973-74 WAS 6.5
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 10702 02 OF 02 211312Z

MILLION TONS.

11. TOTAL DOMESTIC USE OF WHEAT IN EC IN 1973-74 WAS
32.1 MILLION TONS OF WHICH FEED USE WAS 6.5 MILLION TONS.
FEED USE IN 1974-75 COULD FALL TO 5.0 MILLION TONS.

12. FORECAST OF EC IMPORTS FROM THIRD COUNTRIES IN 1974-
75 IS 5.6 MILLION TONS INCLUDING 1.6 MILLION TONS DURUM.
EXPORTS FORECAST AT 7.9 MILLION TONS INCLUDING 0.1
MILLION TONS DURUM.

13. RECENT INCREASE IN EC EXPORT LEVY TO 60 UNITS OF
ACCOUNT WAS CONFIRMED BUT EC DELEGATE POINTED OUT THAT
MOST SALES ARE AND WILL BE BY TENDER AND RECENT TENDERS
HAVE BORNE LEVIES WELL BELOW 60 UNITS OF ACCOUNT.

14. USDA VIEWS ON FAO DOCUMENT CCP: GR 74/11 WORLD
FOOD SCARCITY: DRAFT EVALUATION OF WORLD CEREAL STOCK
SITUATION ARE URGENTLY SOUGHT IN TIME FOR SEPTEMBER 9
MEETING.

DECONTROL 8/20/75

SOHM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, WHEAT, DATA, GRAINS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON10702
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740230-0527
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740830/aaaaazom.tel
Line Count: 206
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: FASTO 222
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 26 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 JUN 2002 by boyleja>; APPROVED <04 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ASMC MEETING AUGUST 20
TAGS: EAGR, ASMC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005